



Budget Watchdog

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New Homeland Security Department

H.R. 5005: Another Reminder of the Inadequacy of Republican Budgeting

This week, the House will consider H.R. 5005, the Homeland Security Act of 2002. This bill is the legislative vehicle for the President's proposal to create a new Department of Homeland Security. The new department would consist of all or portions of over 30 existing federal agencies.

There is broad acceptance of the need to reorganize the federal government to combat terrorism and protect American citizens more effectively. And Democrats are prepared to devote whatever resources are necessary to win the war against terrorism. However, concern for the public interest requires us to note that, once again, Republicans are pursuing policies that are unaccounted for in their budgets.

The Congressional Budget Office (CBO) had estimated that over the next five years (2003-2007), the President's proposal for a new Homeland Security Department would cost \$3 billion above the CBO baseline for the existing agencies that would be folded into the new department.

Now, CBO has scored the House Republican version of the bill as reported on a party-line vote from the Select Committee on Homeland Security. CBO estimates that the House Republican bill would cost \$4.5 billion above the CBO baseline for the affected agencies. This is \$1.5 billion more than the additional costs in the President's proposal. And, as it turns out, *none* of that \$4.5 billion was accommodated in the President's budget or the House Republican budget resolution.

CBO attributes part of the additional cost to creating and administering a new cabinet-level department and to constructing a new headquarters building. The rest of the added cost results from new programs in the bill that are not currently conducted by existing agencies. CBO's cost estimates flatly contradict the Administration's claims that a brand-new department can be created without incurring additional costs.

Where Will the Money Come From?

The big question for Republicans is whether the additional costs of H.R. 5005 will be paid for by cuts in other federal programs or by diverting additional funds from the Social Security surplus. If the House budget resolution isn't amended, the additional costs will have to come from other appropriations, which even many Republicans say are already too low.

The Republicans' failure to follow a coherent budget plan is certainly no reason to oppose H.R. 5005. However, it is a reason to ask Republicans when they will be ready to sit down and negotiate a true budget that sets realistic levels for homeland defense and for the rest of government. Without a realistic budget, deficits will continue to rise, and we will not be able to protect Social Security and Medicare.